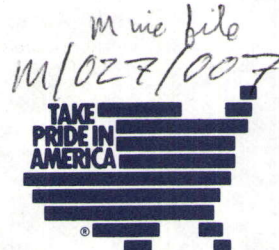


United States Department of the Interior

BUREAU OF LAND MANAGEMENT HOUSE RANGE RESOURCE AREA

35 East 500 North
P.O. Box 778
Fillmore, Utah 84631



IN REPLY REFER TO:

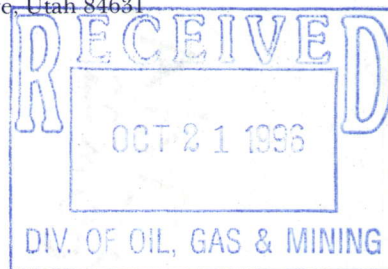
3800

(U-054)

UTU-063347-01

October 16, 1996

LOWELL BRAXTON
DEPUTY DIRECTOR
UTAH DIVISION OF OIL GAS AND MINING
1594 WEST NORTH TEMPLE SUITE 1210
SALT LAKE CITY UT 84114-5801



Dear Mr. Braxton:

We are requesting that your agency postpone taking further regulatory action before the Board of Oil, Gas and Mining against Jumbo Mining Company, and Western States Minerals Corporation (WSMC). In our March 10, 1995 Notice of Noncompliance (NON), the Bureau of Land Management (BLM) required Jumbo to submit to this office an updated mine and reclamation plan as well as requiring some cleanup and testing of several areas of the plant site. In the ensuing months after the NON was issued, the enforcement emphasis was on ensuring that the cleaning and testing was completed. Not long after that issue had been mostly resolved, our geologist left, and the other issues addressed in the NON were never followed through until recently, and we will need at least 90 more days to determine whether Jumbo will submit a satisfactory plan and bond for the project, or establish a Record of Noncompliance.

We will also inform WSMC that we consider WSMC to have substantial reclamation liability on the site and then allow the company reasonable time to respond.

Both these actions must be taken before we can pursue any further enforcement actions, if necessary. We apologize for not responding as such to your July 31, 1996 letter. At the time, we were still sorting out the intricacies of the file, and were not aware of the time that would be involved to settle both the Notice of Noncompliance and the division of liability between the two companies.

We feel that having these issues settled, or at least addressed, before you contemplate taking further action against Jumbo and WSMC, will be beneficial to your agency, and to some extent, the companies themselves. Therefore, we would prefer that the Division take no further action before January 15, 1997.

Please feel free to contact Ron Teseneer at (801)743-6811 if you have any questions or comments.

Sincerely,

Rex Rowley
Rex Rowley
Area Manager

cc: Terry McParland, UT-910
Mark Novak, DWQ